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ATTORNEYS FOR TRUSTEE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re:

CLEAR ENERGY SYSTEMS, INC.,

Debtor.

In Proceedings Under Chapter 11

Case No.: 2:14-bk-12716-BKM

**MOTION APPROVING SALE OF
CERTAIN ASSETS TO JACK RASOR**

Chapter 11 Trustee David Tiffany (“Trustee”), by and through his undersigned counsel and pursuant to 11 U.S.C. § 363, hereby moves for entry of an order confirming the sale of certain intellectual property assets described below and the sale of the Debtor’s claims against SARN.

MEMORANDUM OF POINTS AND AUTHORITIES

I. JURISDICTIONAL AND PROCEDURAL BACKGROUND

1. The Court has jurisdiction over these Chapter 11 proceedings under 28 U.S.C. §§ 157 and 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. Following this Court’s Order on December 16, 2015, the United States Trustee

1 of the District of Arizona selected David Tiffany for appointment as Trustee with full powers
2 as set forth in the Order. *See* Docket Entry #256.

3 3. On December 23, 2015, this Court entered *the Order Approving Appointment of*
4 *Trustee* approving the selection of David Tiffany as Chapter 11 Trustee in this matter.
5 *See* Docket Entry #260.

6 **II. FACTUAL BACKGROUND**

7 4. On August 15, 2014 (the “Petition Date”), the Debtor filed its voluntary
8 petition for relief under Chapter 11 of the Bankruptcy Code. An Order for Relief was entered
9 shortly thereafter.

10 5. On December 16, 2015, the Court ordered a Chapter 11 Trustee appointed and
11 on December 23, 2015, the Court approved the Appointment of David Tiffany as Trustee.

12 6. On March 23, 2016, the Trustee sold most of the Debtor’s assets. The sale was
13 confirmed by Order dated March 29, 2016.

14 7. Among the unsold assets were certain soft intellectual property assets
15 comprised of the name “Clear Energy Systems”, and any and all tradenames, trademarks,
16 domain names and websites as well as any and all other intangible rights and any and all
17 patent and other IP rights except for the U.S. patent and the international patent application
18 purchased by Arizona Commerce Authority as detailed as Exhibit “2” to the March 29, 2016
19 Order confirming the Trustee’s sale, all trademarks, domain names, website and all other
20 intangible rights (collectively, the “Soft IP”).

21 8. In addition, the Debtor’s claims against SARN Power LLC and SARN
22 Industrial LLC and any other “claims” CES might have, known or unknown (collectively, the
23 “SARN Claims”), were not sold at the Trustee’s auction.

24 9. Jack Rasor, a secured creditor of the Debtor pursuant to a court approved
25 financing transaction, has made an offer to the Trustee to purchase the Soft IP and the SARN
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1 Claims for a \$6,000 credit bid (comprised of \$5,000 for the Soft IP and \$1,000 for the SARN
2 Claims).

3 10. The Trustee has accepted Mr. Rasor's offer.

4 11. As these assets did not sell at the Trustee's auction, the Trustee believes that
5 Mr. Rasor's offer is reasonable and should be approved by this Court.

6 **WHEREFORE**, for the reasons stated herein, the Trustee respectfully submits that
7 the relief requested in this Motion is in the best interest of the estates and its creditors and
8 requests this Court to enter an Order in the form attached hereto as **Exhibit A** granting this
9 Motion and Approving the Sale of the Soft IP and the SARN Claims to Jack Rasor for a total
10 credit bid of \$ 6,000 (six thousand dollars).

11 RESPECTFULLY SUBMITTED this 20th day of April, 2016.

12 **TIFFANY & BOSCO, P.A.**

13
14 By: /s/ Christopher R. Kaup _____
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1 **FOREGOING** electronically filed with
2 Bankruptcy Court on this 20th day of
3 April, 2016; and

4 **COPIES** (Judge BKM) served by mail or
5 email on this or the next business day to:

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U.S. Trustee

12 All email recipients as approved under the
13 Court's ORDER APPROVING
14 ELECTRONIC SERVICE (Doc 164)

15 By: /s/ Louis A. Lofredo

Exhibit A

1 CHRISTOPHER R. KAUP, STATE BAR NO. 014820
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**ORDER APPROVING SALE OF
CERTAIN ASSETS TO JACK RASOR**

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17 This matter came before the Court on the *Debtor's Motion for Order Approving the Sale of*
18 *Certain Assets to Jack Rasor* (the "Motion") filed on April __, 2016. There were no
19 oppositions filed and notice was given as to the right to overbid and no overbids were
20 received. The Court finding that Notice of the Motion was sufficient a hearing having been
21 held on _____, 2016 to hear and rule on any objections, and good cause
22 appearing,

23 **IT IS HEREBY ORDERED** as follows:

- 24 1. The Motion is granted.
25 2. The sale of the Soft IP (as that term is defined in the Motion) to Jack Rasor for
26 a credit bid of \$5,000 is hereby approved.

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1 3. The sale of the SARN Claims (as that term is defined in the Motion) to Jack
2 Rasor for a credit bid of \$1,000 is hereby approved.

3 **IT IS FURTHER ORDERED** at the sale of the Soft IP and the SARN Claims to
4 Jack Rasor shall be free and clear of all mortgages, security interests, conditional sale or other
5 title retention agreements, pledges, liens, claims, judgments, demands, charges, encumbrances,
6 security interests, options, rights of first refusal, and any unrecorded easements or other
7 restrictions.

8 **IT IS FURTHER ORDERED** that the Trustee shall cooperate with and assist Mr.
9 Rasor, to the extent reasonably practical, by executing such bills of sale, assignments or other
10 documents necessary to evidence the transfer of title of the respective Assets to Mr. Rasor.

11 **DATED AND SIGNED ABOVE.**
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